

[Company Letterhead/Header]

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

Subject: Denial of Interest Rate Float-Down Request - Loan [Loan Number]

Dear [Borrower Name],

We are writing to formally respond to your request for an interest rate "float-down" regarding your mortgage application for the property located at [Property Address].

After reviewing the current status of your construction project and the terms of your lock-in agreement, we are unable to approve your request for a lower interest rate at this time. Our decision is based on the following factor(s):

- **Construction Delays:** The original rate lock agreement was contingent upon a construction completion date of [Original Date]. Due to delays in the building process, the loan did not close within the specified commitment period.
- **Expiration of Lock Period:** Your current rate lock has expired, and the project has not yet reached the required stage of completion (e.g., Certificate of Occupancy) to qualify for a float-down execution.
- **Market Conditions:** Current market pricing does not meet the minimum threshold required by your specific loan program to trigger a float-down option.

Please note that your original locked rate remains [Rate]%, subject to any applicable extension fees required to maintain this rate until your new estimated closing date of [New Date]. If you choose not to extend the lock, your loan will be subject to prevailing market rates at the time of final approval and closing.

If you have any questions regarding this decision or wish to discuss extension options, please contact your Loan Officer at [Phone Number] or [Email Address].

Sincerely,

[Sender Name]

[Title]

[Lending Institution Name]